

Blending Example: A Licensed Special Fuel Supplier purchases 5,000 gallons of diesel fuel and pays 27.9 cents excise tax per gallon at the time of purchase. The same Supplier mixes the diesel with 1,000 gallons of a biological component. No excise tax has been paid on the mixing agent. The blended product is sold as 6,000 gallons of biodiesel that qualifies for taxation at the reduced rate of 20.0 cents per gallon. Note that Zero (0) gallons of straight diesel have been sold. The new product is now biodiesel.

RECEIPTS		SFS RETURN (Column A)	DIESEL/KERO (Column B)	BIODIESEL (Column C)
Beginning Inventory Gallons	1a	0		
Gallons Received - Tax Paid (Sch. 1)	2a	5,000	5,000	
Gallons Received - Tax Unpaid (Sch. 2)	3a	1,000		1,000
Gallons Imported - Direct to Customer (Sch. 3)	4a	0		
Gallons Imported - Bulk Storage (Sch. 4)	5a	0		
Total Receipts (Total lines 2a through 5a)	6a	6,000	5,000	1,000
Available Gallons (Add Line 1a and Line 6a)	7a	6,000	5,000	1,000
Ending Inventory	8a	0		
Accountable Gallons (Line 7a minus line 8a)	9a	6,000	5,000	1,000
DISBURSEMENTS		SFS RETURN	DIESEL/KERO	BIODIESEL
Total Gallons Sold and Used	10a	6,000	0	6,000
Sales for Heating and Cooking	11a	0		
Sales to U.S. Government (Sch. 8)	12a	0		
Sales to Other Suppliers (Sch. 6)	13a	0		
Power Generation for Resale (Sch. 10)	14a	0		
Exports (Sch. 7)	15a	0		
Sales to this State or Political Subs (Sch. 9)	16a	0		
Kerosene for Retail Sale	17a	0		
Dyed Fuel (Not included in Lines 11a -17a)	18a	0		
Total Exempt (Add lines 11a through 18a)	19a	0	0	0
Total Taxable Gallons (Line 10a minus Line 19a)	20	6,000	0	6,000
CALCULATIONS				
Excise Tax Rates	21	0.279	0.279	0.200
Excise Tax Due (Line 20 times by Line 21)	22	1,674.00	0.00	1,200.00
Excise Tax Paid Diesel Purchases (Line 2a times Line 21)	23a	1,395.00	1,395.00	0.00
Net Due (Line 22 minus Line 23a)	24	279.00	-1,395.00	1,200.00

Actual Net Due (Add amounts on Line 24, Columns B and C)

Box 1 →

-195.00

Tax Due per Worksheet (Amount from Line 24, Column A above)

Box 2 →

279.00

Adjustment for Biodiesel Tax Differential (Box 1 minus Box 2)

Box 3 →

-474.00

Enter on Line 23b of the SFS Return

Tax Computation		SUPPLIER - DISTILLATES (diesel, kero)	RETAILER - LOW-ENERGY FUEL (propane, natural gas)
Taxable Gallons (line 10 minus line 19)	20.	6 0 0 0	
Excise Tax Rates	21.	X .279	(See Instructions) X .194
Excise Tax Due (line 20 times line 21)	22.	1 6 7 4 .00	
Excise Tax Paid Purchases Sch 1	23a.	1 3 9 5 .00	
Adjustment from Worksheet "B" (attach worksheet)	23b.	- 4 7 4 .00	
Net Excise Tax Due (line 22 minus line 23a plus line 23b)	24.	- 1 9 5 .00	

Complicated Blending Example: This is a more complicated blending example where the Supplier had both beginning and ending inventories, makes both tax paid and tax unpaid purchases, and blends a portion of diesel with biodiesel. Note the number of gallons of biodiesel sold are substantially more than the number available due to the blending. The net result in this example is additional tax due by the Supplier.

RECEIPTS		SFS RETURN (Column A)	DIESEL/KERO (Column B)	BIODIESEL (Column C)
Beginning Inventory Gallons	1a	3,000	1,000	2,000
Gallons Received - Tax Paid (Sch. 1)	2a	2,000	2,000	
Gallons Received - Tax Unpaid (Sch. 2)	3a	6,000	3,000	3,000
Gallons Imported - Direct to Customer (Sch. 3)	4a	0		
Gallons Imported - Bulk Storage (Sch. 4)	5a	0		
Total Receipts (Total lines 2a through 5a)	6a	8,000	5,000	3,000
Available Gallons (Add Line 1a and Line 6a)	7a	11,000	6,000	5,000
Ending Inventory	8a	2,500	1,500	1,000
Accountable Gallons (Line 7a minus line 8a)	9a	8,500	4,500	4,000
DISBURSEMENTS		SFS RETURN	DIESEL/KERO	BIODIESEL
Total Gallons Sold and Used	10a	8,500	2,100	6,400
Sales for Heating and Cooking	11a	0		
Sales to U.S. Government (Sch. 8)	12a	0		
Sales to Other Suppliers (Sch. 6)	13a	2,000	2,000	
Power Generation for Resale (Sch. 10)	14a	0		
Exports (Sch. 7)	15a	0		
Sales to this State or Political Subs (Sch. 9)	16a	3,000		3,000
Kerosene for Retail Sale	17a	0		
Dyed Fuel (Not included in Lines 11a -17a)	18a	600		600
Total Exempt (Add lines 11a through 18a)	19a	5,600	2,000	3,600
Total Taxable Gallons (Line 10a minus Line 19a)	20	2,900	100	2,800
CALCULATIONS				
Excise Tax Rates	21	0.279	0.279	0.200
Excise Tax Due (Line 20 times by Line 21)	22	809.10	27.90	560.00
Excise Tax Paid Diesel Purchases (Line 2a times Line 21)	23a	558.00	558.00	0.00
Net Due (Line 22 minus Line 23a)	24	251.10	-530.10	560.00

Actual Net Due (Add amounts on Line 24, Columns B and C)

Box 1 →

29.90

Tax Due per Worksheet (Amount from Line 24, Column A above)

Box 2 →

251.10

Adjustment for Biodiesel Tax Differential (Box 1 minus Box 2)

Box 3 →

-221.20

Enter on Line 23b of the SFS Return

Tax Computation		SUPPLIER - DISTILLATES (diesel, kero)	RETAILER - LOW-ENERGY FUEL (propane, natural gas)
Taxable Gallons (line 10 minus line 19)	20.	2,900	
Excise Tax Rates	21.	X .279	(See Instructions) X .194
Excise Tax Due (line 20 times line 21)	22.	809.10	
Excise Tax Paid Purchases Sch 1	23a.	558.00	
Adjustment from Worksheet "B" (attach worksheet)	23b.	- 221.20	
Net Excise Tax Due (line 22 minus line 23a plus line 23b)	24.	299.90	

Reduction in credit. A Licensed Special Fuel Supplier purchases 5,000 gallons of diesel fuel and pays 27.9 cents excise tax per gallon at the time of purchase. The same Supplier also purchases 1,000 gallons of qualifying biodiesel paying 20.0 cents per gallon of excise tax at the time of purchase. The 1,000 gallons of biodiesel are sold for heating and cooking purposes. The adjustment in Box 3 is used to reduce the amount of the credit calculated on the return at the full 27.9 cents per gallon to the actual credit due based on 20.0 cents per gallon. (1,000 gallons biodiesel) X 7.9 cents = \$79.00 excess credit calculated on the return without the adjustment.

RECEIPTS		SFS RETURN (Column A)	DIESEL/KERO (Column B)	BIODIESEL (Column C)
Beginning Inventory Gallons	1a	0		
Gallons Received - Tax Paid (Sch. 1)	2a	6,000	5,000	1,000
Gallons Received - Tax Unpaid (Sch. 2)	3a	0		
Gallons Imported - Direct to Customer (Sch. 3)	4a	0		
Gallons Imported - Bulk Storage (Sch. 4)	5a	0		
Total Receipts (Total lines 2a through 5a)	6a	6,000	5,000	1,000
Available Gallons (Add Line 1a and Line 6a)	7a	6,000	5,000	1,000
Ending Inventory	8a	500	500	
Accountable Gallons (Line 7a minus line 8a)	9a	5,500	4,500	1,000
DISBURSEMENTS		SFS RETURN	DIESEL/KERO	BIODIESEL
Total Gallons Sold and Used	10a	5,500	4,500	1,000
Sales for Heating and Cooking	11a	1,000		1,000
Sales to U.S. Government (Sch. 8)	12a	0		
Sales to Other Suppliers (Sch. 6)	13a	0		
Power Generation for Resale (Sch. 10)	14a	0		
Exports (Sch. 7)	15a	0		
Sales to this State or Political Subs (Sch. 9)	16a	0		
Kerosene for Retail Sale	17a	0		
Dyed Fuel (Not included in Lines 11a -17a)	18a	0		
Total Exempt (Add lines 11a through 18a)	19a	1,000	0	1,000
Total Taxable Gallons (Line 10a minus Line 19a)	20	4,500	4,500	0
CALCULATIONS				
Excise Tax Rates	21	0.279	0.279	0.200
Excise Tax Due (Line 20 times by Line 21)	22	1,255.50	1,255.50	0.00
Excise Tax Paid Diesel Purchases (Line 2a times Line 21)	23a	1,674.00	1,395.00	200.00
Net Due (Line 22 minus Line 23a)	24	-418.50	-139.50	-200.00

Actual Net Due (Add amounts on Line 24, Columns B and C)

Box 1 →

-339.50

Tax Due per Worksheet (Amount from Line 24, Column A above)

Box 2 →

-418.50

Adjustment for Biodiesel Tax Differential (Box 1 minus Box 2)

Box 3 →

79.00

Enter on Line 23b of the SFS Return

Tax Computation		SUPPLIER - DISTILLATES (diesel, kero)	RETAILER - LOW-ENERGY FUEL (propane, natural gas)
Taxable Gallons (line 10 minus line 19)	20.	4 5 0 0	
Excise Tax Rates	21.	X .279	(See Instructions) X .194
Excise Tax Due (line 20 times line 21)	22.	1 2 5 5 5 0	
Excise Tax Paid Purchases Sch 1	23a.	1 6 7 4 0 0	
Adjustment from Worksheet "B" (attach worksheet)	23b.	7 9 0 0	
Net Excise Tax Due (line 22 minus line 23a plus line 23b)	24.	- 3 3 9 5 0	

No adjustment to the return is needed. A Licensed Special Fuel Supplier purchases 1,000 gallons of diesel paying 27.9 cents per gallon excise tax at the time of purchase. The same Supplier also purchases 1,000 gallons of qualifying biodiesel paying 20.0 cents per gallon at the time of purchase. 500 gallons of diesel and 1,000 gallons of qualifying biodiesel were sold during the month. All of the diesel was sold to the United States government. All the biodiesel was sold for a taxable purpose.

RECEIPTS		SFS RETURN (Column A)	DIESEL/KERO (Column B)	BIODIESEL (Column C)
Beginning Inventory Gallons	1a	0		
Gallons Received - Tax Paid (Sch. 1)	2a	2,000	1,000	1,000
Gallons Received - Tax Unpaid (Sch. 2)	3a	0		
Gallons Imported - Direct to Customer (Sch. 3)	4a	0		
Gallons Imported - Bulk Storage (Sch. 4)	5a	0		
Total Receipts (Total lines 2a through 5a)	6a	2,000	1,000	1,000
Available Gallons (Add Line 1a and Line 6a)	7a	2,000	1,000	1,000
Ending Inventory	8a	500	500	0
Accountable Gallons (Line 7a minus line 8a)	9a	1,500	500	1,000
DISBURSEMENTS		SFS RETURN	DIESEL/KERO	BIODIESEL
Total Gallons Sold and Used	10a	1,500	500	1,000
Sales for Heating and Cooking	11a	0		
Sales to U.S. Government (Sch. 8)	12a	500	500	
Sales to Other Suppliers (Sch. 6)	13a	0		
Power Generation for Resale (Sch. 10)	14a	0		
Exports (Sch. 7)	15a	0		
Sales to this State or Political Subs (Sch. 9)	16a	0		
Kerosene for Retail Sale	17a	0		
Dyed Fuel (Not included in Lines 11a -17a)	18a	0		
Total Exempt (Add lines 11a through 18a)	19a	500	500	0
Total Taxable Gallons (Line 10a minus Line 19a)	20	1,000	0	1,000
CALCULATIONS				
Excise Tax Rates	21	0.279	0.279	0.200
Excise Tax Due (Line 20 times by Line 21)	22	279.00	0.00	200.00
Excise Tax Paid Diesel Purchases (Line 2a times Line 21)	23a	558.00	279.00	200.00
Net Due (Line 22 minus Line 23a)	24	-279.00	-279.00	0.00

Actual Net Due (Add amounts on Line 24, Columns B and C)

Box 1 →

-279.00

Tax Due per Worksheet (Amount from Line 24, Column A above)

Box 2 →

-279.00

Adjustment for Biodiesel Tax Differential (Box 1 minus Box 2)

Box 3 →

0.00

Enter on Line 23b of the SFS Return

Tax Computation		SUPPLIER - DISTILLATES (diesel, kero)	RETAILER - LOW-ENERGY FUEL (propane, natural gas)
Taxable Gallons (line 10 minus line 19)	20.	1 0 0 0	
Excise Tax Rates	21.	X .279	(See Instructions) X .194
Excise Tax Due (line 20 times line 21)	22.	2 7 9 0 0	
Excise Tax Paid Purchases Sch 1	23a.	5 5 8 0 0	
Adjustment from Worksheet "B" (attach worksheet)	23b.	0	
Net Excise Tax Due (line 22 minus line 23a plus line 23b)	24.	- 2 7 9 0 0	

Additional credit due to Supplier. A Licensed Special Fuel Supplier purchases 1,000 gallons of diesel and 1,000 gallons of qualifying biodiesel fuel without paying Maine excise at the time of purchase. All of the biodiesel is sold for a taxable purpose. 500 gallons of the diesel was exported from the State, the remaining 500 gallons are still in inventory. Tax is due on 1,000 gallons of biodiesel at the rate of 20.0 cents per gallon, or \$200.00. The tax return will compute tax at the rate of 27.9 cents per gallon on 1,000 gallons of fuel, or \$279.00. An adjustment of \$79.00 is required to provide the credit due to the taxpayer.

RECEIPTS		SFS RETURN (Column A)	DIESEL/KERO (Column B)	BIODIESEL (Column C)
Beginning Inventory Gallons	1a	0		
Gallons Received - Tax Paid (Sch. 1)	2a	0		
Gallons Received - Tax Unpaid (Sch. 2)	3a	2,000	1,000	1,000
Gallons Imported - Direct to Customer (Sch. 3)	4a	0		
Gallons Imported - Bulk Storage (Sch. 4)	5a	0		
Total Receipts (Total lines 2a through 5a)	6a	2,000	1,000	1,000
Available Gallons (Add Line 1a and Line 6a)	7a	2,000	1,000	1,000
Ending Inventory	8a	500	500	0
Accountable Gallons (Line 7a minus line 8a)	9a	1,500	500	1,000
DISBURSEMENTS		SFS RETURN	DIESEL/KERO	BIODIESEL
Total Gallons Sold and Used	10a	1,500	500	1,000
Sales for Heating and Cooking	11a	0		
Sales to U.S. Government (Sch. 8)	12a	0		
Sales to Other Suppliers (Sch. 6)	13a	0		
Power Generation for Resale (Sch. 10)	14a	0		
Exports (Sch. 7)	15a	500	500	
Sales to this State or Political Subs (Sch. 9)	16a	0		
Kerosene for Retail Sale	17a	0		
Dyed Fuel (Not included in Lines 11a -17a)	18a	0		
Total Exempt (Add lines 11a through 18a)	19a	500	500	0
Total Taxable Gallons (Line 10a minus Line 19a)	20	1,000	0	1,000
CALCULATIONS				
Excise Tax Rates	21	0.279	0.279	0.200
Excise Tax Due (Line 20 times by Line 21)	22	279.00	0.00	200.00
Excise Tax Paid Diesel Purchases (Line 2a times Line 21)	23a	0.00	0.00	0.00
Net Due (Line 22 minus Line 23a)	24	279.00	0.00	200.00

Actual Net Due (Add amounts on Line 24, Columns B and C)

Box 1 →

200.00

Tax Due per Worksheet (Amount from Line 24, Column A above)

Box 2 →

279.00

Adjustment for Biodiesel Tax Differential (Box 1 minus Box 2)

Box 3 →

-79.00

Enter on Line 23b of the SFS Return

Tax Computation		SUPPLIER - DISTILLATES (diesel, kero)	RETAILER - LOW-ENERGY FUEL (propane, natural gas)
Taxable Gallons (line 10 minus line 19)	20.	1 0 0 0	
Excise Tax Rates	21.	X .279	(See Instructions) X .194
Excise Tax Due (line 20 times line 21)	22.	2 7 9 .00	
Excise Tax Paid Purchases Sch 1	23a.	0	
Adjustment from Worksheet "B" (attach worksheet)	23b.	- 7 9 .00	
Net Excise Tax Due (line 22 minus line 23a plus line 23b)	24.	2 0 0 .00	